GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1355
ANSWERED ON:08.03.2002
ATTACHING BANK ACCOUNTS OF PLANTATION COMPANIES
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government have decided to attach the bank accounts of defaulted Plantation Companies in the country;

(b) if so, the details thereof; and

(c) the number and details of such companies brought under this attachment?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b) Schemes through which instruments such as agro bonds, plantation bonds etc. are issued are regulated by the Securities and Exchange Board of India (SEBI) under the SEBI (Collective Investment Schemes) Regulations, 1999. Many CIS entities had collected funds from the public prior to being brought under the regulatory jurisdiction of SEBI. SEBI issued two press releases in 1997 directing existing CIS entities to file details of theirschemes with it. SEBI has intimated that information was receivedfrom 660 entities which had reportedly mobilised about Rs. 2690 crores.

In Civil Writ Petition No. 3352/98, in the matter of Shri S.D Bhattacharya and Others versus SEBI, the Delhi High Court impleaded all CIS entities and inter alia restrained them from selling,disposing of and/or alienating their immovable properties. Their directors have also been interdicted from transferring their immovable property in any manner or parting with the possession of the same. The Court also made it clear that its order will not come in the way of companies intending to refund money to their investors. On 22nd January 2002, the Court ordered the freezing of bank accounts of 513 erring entities and their directors/promoters till they comply with the Regulations/SEBI`s directions regarding repayment to their investors.

(c) The names and details of these 513 entities were published in leading Indian newspapers namely, the Indian Express dated 22nd February 2002 and the Business Standard dated 23rd February 2002. This information is also available on the SEBI website (www.sebi.gov.in).